

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO.: 2579-01  
BILL NO.: HB 1150  
SUBJECT: Medical Insurance: Children and Minors  
TYPE: Original  
DATE: February 24, 2000

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Insurance Dedicated	\$10,050	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$10,050</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

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**FISCAL ANALYSIS**

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**ASSUMPTION**

Officials from the **Office of Attorney General**, the **Department of Public Safety - Missouri State Highway Patrol**, and the **Department of Conservation** assume this proposal would not fiscally impact their agencies.

**Department of Social Services (DOS)** officials assume there would be no fiscal impact to the department as contraceptives are currently a covered Medicaid service.

Officials from the **Department of Transportation (DHT)** state that currently their medical plan does not have a formulary and DHT assumes this would not be changed. Therefore the medical plan would have to offer contraceptives to members at no charge. DHT states that for calendar year 1999 the total cost to the medical plan for contraceptives would be approximately \$229,420. Based on the ten percent increase from 1998 to 1999 the total cost for calendar year 2000 would be approximately \$252,362. Using the new thirty percent co-pay for calendar year 2000, DHT estimates that the fiscal impact to the medical plan would be \$52,743 for FY2001, \$69,621 for FY2002, and \$76,584 FY2003. DHT states that if the state share would be increased to cover this cost then the fiscal impact would be to DHT.

**Department of Insurance (INS)** officials state that they anticipate that current appropriations and staff would be able to absorb the work for implementation of this proposal. However, if additional proposals are approved during the legislative session, INS may need to request an increase in appropriations due to the combined effect of multiple proposals. INS states there are 259 health insurers and 30 HMOs that offer health insurance coverage. INS states that of the health insurers, many offer coverage through out-of-state trusts which are not typically subject to such mandates. INS estimates that 171 health insurers and 30 HMOs would each submit one policy form amendment resulting in revenues of \$10,050 to the Insurance Dedicated Fund. If multiple proposals pass during the legislative session which require policy form amendments to be filed the insurers would probably file one amendment for all required mandates. This would result in increased revenue of \$10,050 for all proposal.

Officials from the **Department of Health (DOH)** assumes that as the proposal is written where would be no impact on DOH. DOH assumes that any current clients of the family planning program who would be covered by the proposal would be replaced by other women in need of services who do not have insurance. The demand is greater than the resources available for the DOH program.

**Missouri Consolidated Health Care Plan (HCP)** officials state that currently HCP contracts  
**ASSUMPTION** (continued)

provide coverage for contraceptive drugs. HCP states the health maintenance plans, the point of service plans, and First Health PPO would provide contraceptives on the formulary at no charge. The addition of other contraceptives would add some costs to contracted health plans but HCP feels this cost would be modest and not have a fiscal impact.

Officials from the **Department of Corrections** did not respond to our fiscal impact request.

**This proposal would result in a increase in Total State Revenues.**

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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**INSURANCE DEDICATED FUND**

<u>Income - Department of Insurance</u>	<u>\$10,050</u>	<u>\$0</u>	<u>\$0</u>
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<b>ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND</b>	<b><u>\$10,050</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

Small businesses would be expected to be fiscally impacted to the extent that they would incur increased health insurance costs due to the requirements of this proposal.

DESCRIPTION

This proposal would require a health insurance plan to offer contraceptive coverage at either no charge or at the same deductible or copayment as other health care services. The requirement would take effect January 1, 2001.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

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Department of Insurance  
Missouri Consolidated Health Care Plan  
Department of Social Services  
Department of Conservation  
Department of Transportation  
Department of Public Safety  
Missouri State Highway Patrol  
Department of Health  
Office of Attorney General

**NOT RESPONDING: Department of Corrections**

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "T".

Jeanne Jarrett, CPA  
Director  
February 24, 2000